

SENATE BILL SUMMARY

Prepared by the Division of Legislative Information for the Senate Bill **AS ORIGINALLY FILED**. For more detail, see Senate Bill Analyses, if available, prepared by the Senate's professional committee staff.

SB 332 Debt Negotiation Services by Senator Fasano

Defines "debt negotiation organization" as any person providing debt negotiation services.

Defines "debt negotiation services" as intermediary services provided for a fee by a debt negotiation organization between a debtor and one or more of the debtor's creditors for the purpose of obtaining concessions, but without the paid intermediary holding or disbursing funds to the individual creditors.

Provides that provisions relating to debt negotiation services do not apply to a person licensed to practice law in this state who is providing legal representation to a client.

Requires a debt negotiation organization doing business in this state to register and annually renew such registration with the Office of Financial Regulation. Provides registration requirements. Requires an annual registration or renewal fee of \$2,500.

Specifies acts prohibited by a debt negotiation organization.

Provides that a debt negotiation organization must obtain and maintain insurance coverage at all times for employee dishonesty, depositor's forgery, and computer fraud in an amount not less than \$100,000.

Provides that a debt negotiation services contract must be signed and dated by the debtor. Provides additional requirements, including, but not limited to, the following:

- a full and detailed description of the services to be performed for the debtor by the organization
- all terms and conditions of payment and
- a Notice of Right to Cancel. (See bill for details)